

## **BILL ANALYSIS**

S.B. 853  
By: Taylor  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties assert that recently enacted legislation unintentionally applies notice requirements for an insurer that increases its premium rates to all accident and health insurance contracts, including supplemental types of insurance such as specified disease policies and disability policies. These parties contend that the prescribed notice clearly applies only to major medical insurance and that its application to other types of supplemental accident and health insurance is confusing. S.B. 853 seeks to clarify current law by restricting the application of that requirement to a policy providing major medical expense coverage.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 853 amends the Insurance Code to specify that the written notice and informational table an insurer is required to give to an insured not less than 60 days before the date on which a premium rate increase takes effect on the insured's individual accident and health insurance policy applies to a policy that provides major medical expense coverage. The bill defines "major medical expense coverage" for the purposes of that requirement as an individual major medical expense insurance policy to which provisions governing accident and health insurance delivered or issued for delivery in Texas that constitute creditable coverage apply.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.